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The Role of Competitive Advantage as Mediating the Effect of Strategic Planning on Company Performance

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ABSTRACT

Purpose: The purposes of this research are to determine the role of competitive advantage as mediating the effect of strategic planning on company performance.

Design/methodology/approach: The steps are first, determine the influence of strategic planning on competitive advantages; second, determine the influence of competitive advantages on company performance, third determine the role of competitive advantages as a mediating variable from the influence of strategic planning on company performance.

Findings: The results showed that strategic planning has a positive and significant effect on competitive advantages and organizational performance. Competitive advantage has a positive and significant effect on organizational performance. Competitive advantage played a role in mediating the effect of strategic planning on company performance.

Research limitations/implications: The research data set had collected using a questionnaire. After the data set had collected, an analysis had been finished using PLS

Practical implications: Strategic planning can improve company performance through increased competitive advantage as an intervening variable.

Originality/value: The paper is original.

Paper type: The type of this research is causal research because the purpose of this study is to determine the effect of variables on other variables.

Keyword: Competitive Advantages, Mediating, Organizational Performance, Role, Strategic Planning,

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I. INTRODUCTION

The free market is a result of the globalization of the world economy (Karunaratne, 2012). The free market is the implementation of economic markets through free competition, that is, everyone will face open competition so that those who win the competition will be able to survive in the global market (Sheth, 2011).

Market globalization and competition create a huge change (Ristovska and Ristovska, 2014). The right strategies to achieve success are through exploiting the opportunities that exist in a fast-moving and increasingly competitive business environment (Companys and McMullen, 2007). Many companies in the world have implemented these actions and chosen the right corporate strategy and got successful. This condition requires a company to develop its strategy so that it can survive, compete and continue to grow during an intense business competition, therefore the company needs to develop an appropriate strategy so that the company can maintain its existence and can improve company performance (Gluck, Kaufman and Walleck, 2008).

Every entity that establishes a business would want his business to live continuously without being limited by time (Carlock *et al.*, 2001). Being able to live continuously means being able to continue operating,

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developing to enjoy profits and longevity. In practice, many companies are aged up to hundreds of years, but some companies that are only a matter of years (Henke *et al.*, 2016).

The great potential in business is causing a very strong attraction for a businessperson to join in the industry (Skripak, 2016). Without complete preparation or careful planning, many business people have entered the industry no longer exist. To run a business, good planning is very necessary, strategic planning can provide clear direction to the company (Bütüner, 2014). Strategic planning is a step to translate mission, vision, goals, basic beliefs, basic values, and strategies into comprehensive and coherent strategic goals (Jofre, 2011). In strategic planning, each strategic goal is then determined the size of the achievement and targets that will be realized within a certain period in the future. The existence of strategic planning will greatly assist the company in directing its business and evaluating the business (Gates, 2010).

The competitive advantage possessed by the company is expected to contribute to an excellent company's performance (Kak and Sushil, 2002). de Waal, (2002) said that organizational performance refers to how well a company can achieve market objectives and financial goals. Good strategic planning will have an impact on the company's competitive advantage, which in turn will create a competitive advantage (Stonehouse and Snowdon, 2007).

In each of these strategic businesses, it is very much needed, considering the current business development is very dynamic, often changing, consumer preferences for products or services often change, as well as competitors in the business often changing (Reeves and Deimler, 2011). The existence of good strategic planning will be able to help companies to develop effective strategies, improve organizational performance, deal effectively with changing circumstances, and anticipate future problems that have opportunities (O'Regan and Ghobadian, 2004).

The purpose of this study was to determine the role of competitive advantages as a mediating variable from the influence of strategic planning on company performance.

There are several libraries used in this study, namely:

1. Competitive Advantages

Competitive advantage is a condition where a company can create a good defensive position over its competitors (Kak and Sushil, 2002). Another understanding conveyed by Omerzel and Gulev, (2011) said that competitive advantages are based on special competencies, namely the specific strengths of companies that can make companies able to make their products different from products offered by competitors and have lower prices than competitors. This study will look at competitive advantages in terms of price, quality, delivery dependability, product innovation, and time to market (Natasha and Devie, 2013).

Natasha and Devie, (2013) said that competitive advantage could be seen from aspects of price, quality, delivery dependability, product innovation, and time to market. The discussion is as follows:

a. Price

Sammut-Bonnici and Channon, (2015) define price as the monetary value of a product or service on the market. Price is the value of money that customers must exchange to get a product or service; price is also a marker of the value of a product or service for someone and different customers will give different values for the same goods or services.

b. Quality

Anwar, Mulyati and Amelia, (2013) said that quality is the ability of a product to perform its basic functions, the drill is seen from the ability to make holes, the camera is seen from the quality of the resulting image.

c. Delivery Dependability

Delivery dependability is consistency in fulfilling delivery promises for products or services to consumers (Kumar, Patra and Panwar, 2017) Another understanding conveyed by Chibili *et al.*, (2017) which states that deliver dependability is the ability to deliver products and services by the promises given to consumers

d. Product Innovation

Innovation is defined as the successful application of creative ideas in a company (Okpara, 2007). This understanding is also by the definition conveyed by Liamas, Mazadiego and Gracia, (2017) which said innovation equaling creativity plus (successful) implementation, that the words of innovation are the same as creativity coupled with successful implementation or application.

e. Time To Market

Time to market is defined as how long a business can recognize market opportunities, translate them into products or services, and bring those products and services to the market (Kahn, 2014). In a short market cycle, having the ability to recognize market opportunities quickly and translate them into products or services will be the determinant of success. Companies that are slow in responding to opportunities in the market will lose valuable moments to be successful (David, 2017)

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2. Strategic Planning

Strategic planning is a systematic and formal effort from a company to determine company goals, rules, and strategies (Bütüner, 2014). That effort involve several activities, including making detailed plans to implement rules and strategies to achieve the company's main objectives (Mainardes, Ferreira and Raposo, 2014). Another understanding was conveyed by Jofre, (2011) who said that it was something designed to achieve an organization's comprehensive goals, to ensure the execution of the organization's mission.

Strategic planning consists of several processes that must be carried out, such (Natasha and Devie, 2013):

a. Defining Company Purpose and Goal

The mission of each organization is the main reason for establishing and building that organization and that is the existential philosophy of the organization (Brătianu and Victoria Balanescu, 2008). The mission of an organization determines the future goals and executive activities of the organization (Taiwo, Lawal and Agwu, 2016). Therefore, the mission is a unique basic object that is different from other similar organizations and determines the range of operations in terms of products, technology, and markets (Koehrsen and Heuser, 2020). The formulation of such a mission must be carried out in a way that the values, priorities, and preferences of strategic decision-makers must be reflected in it.

After formulating the mission of the organization, the problem arises is how to achieve it. At this stage, a set of clear objectives that are given for a certain period must be defined in a way that achieves these targets, leading to realizing the mission of the organization (Gibson *et al.*, 2010). It is should be noted that these objectives are used as a basis for planning; policies making and setting performance standards and they play an important role in organizational success. Therefore, an important part of the planning process is in understanding how objectives, policies, and plans are formulated.

b. Analysis of Busines Environment

The next step in the strategic planning process is to analyze the company's business environment. The purpose of this analysis is to identify the strengths and weaknesses of the organization, compared to other organizations and to identify environmental risks and threats compared to the opportunities available in them (Gibson *et al.*, 2010).

c. Analysis of Strategic Issues, generation, evaluation and selection

A fundamental principle in strategic management is that effective organizations must strive to align company characteristics with the challenges posed by the external environment (David, 2017). (The strategy is seen as a tool that will be used by organizations to achieve that alignment (Akpan, 2007). Through achieving and aligning resources and capabilities, organizations build competitive advantage and prosperity (Namada, 2018). In other words, to survive and gain competitive advantage, organizations of all sizes increasingly need to pursue the development of a well-defined and clear strategy. Therefore, after the evaluation of organizational and environmental resources, the choice of strategies suitable for the optimal use of existing requirements will be possible. Here, the main problem is what the strategy is and how to choose the best one.

d. Development and implementation, evaluation, and control system

After the formulation of the strategy, its implementation must be programmed (Umukoro, Kuye and Sulaimon, 2009). The best strategy that can be formulated without proper implementation has no practical value. The company must also evaluate the implementation of the strategy and also carry out control.

3. Organizational Performance

Organizational performance is the overall current organizational performance relative to other companies in the industry (Ahmad, Ismail and Othman, 2018). The comparison including product and service quality, employee morale, employee skills, labor productivity and efficiency, and the level of profit which is understood as an increase in overall profits based on income resulting from the sale of products and services (Nda and Fard, 2013).

Organizational performance can be divided into three main parts, namely operational performance, financial or accounting performance, and market-based performance (Natasha and Devie, 2013). In this study, only two will be discussed, namely operational performance and financial or accounting performance.

a. Financial Performance

1) ROS (Return On Sales)

Return on Sales is a percentage determined by the division of net profit before tax by total sales (Hayes, 2020).

2) Profitability

Profitability is a measure of the ability of an individual or corporate company to generate profits concerning the capital used (Rede, 1998). In the company's development plan, analyze profitability.

3) Sales growth

Sales growth or sales growth is a measure to see the growth of the company's sales growth. Sales growth is defined as the percentage of sales differences in the year with sales of the previous year (Boger and Link, 2010).

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4) Work Productivity Improvement

Improved work productivity is one indicator that can be used to assess the company's financial performance (Uribe *et al.*, 2020)) because more productive employees will have an impact on the company's better performance. Work productivity is defined as the comparison of activities between output effectiveness and input efficiency, meaning that the mental attitude is needed to make improvements and improvements in each work (Prokopenko, 1998).

5) Repair of Production Costs

Production carried out by companies requires costs referred to as production costs. Warren *et al.*, (2014) said that production costs are costs incurred to produce products (direct materials, direct labor, and factory overhead).

b. Operational Performance

1) Market Share

Market share is the percentage of sales of a company compared to total sales in the same industry (Lamb, Hair and McDaniel, 2019).

2) New product launching

New product launches are the company's routine activities to replace products that still exist but have fallen in sales, or replace products that are lost from circulation because they are removed from the company's product list (Lodato, 2008).

3) Product and service quality

Product quality is one of the tools most often used by marketers for positioning (Groucutt, Leadley and Forsyth, 2004). Demands and quality continue to grow and increase, where quality is not limited only to the use of the product but is developing in the direction of the customer's explicit needs. The product is said to be of quality if the product is explicitly according to customer needs (Karwowski, Soares and Stanton, 2011).

4) Marketing Effectiveness

Marketing effectiveness reflects the company's search for a more productive marketing mix (Mukherjee and Hanif, 2005). A company can increase its marketing effectiveness by replacing high-cost marketing channels with cheaper channels, channeling advertising costs for public relations purposes, increasing or reducing product features, or implementing technology that can increase the effectiveness of company information and communication (Kozielski, 2018).

5) Customer satisfaction

Understanding satisfaction is the level of feeling in which someone states the results of the comparison between the performance of products or services received and expected (Grigoroudis and Siskos, 2010).

c. Market Performance

Market-based performance measures include ratios or levels of change that incorporate an organization's market value (Ra'ed Masa'deh *et al.*, 2015). These variables including: return on shareholders, market value-added, and annual profits (Natasha and Devie, 2013) :

1) Return on Shareholders

The rate of return to shareholders is the number of returns received by shareholders (Rappaport, 1997). Returns on shareholders are used to measure the rate of return on an organization's shares to competitors' returns in a certain period.

2) Market Value Added (MVA)

MVA is the difference between the total market value of an organization, and the total amount of capital provided by investors (Brigham and Ehrhardt, 2008).

3) Annual profit

This annual profit is profit in the form of money belonging to individuals, organizations and entities that are obtained from business processes carried out in a one-year (Mukherjee and Hanif, 2005).

4. Conceptual Framework and Research Hypothesis

Research's conceptual framework is the product through generalization particular phenomenon; it can reflect many other similar phenomena. Based on research questions and explanations, it could be proposed a conceptual framework as below:

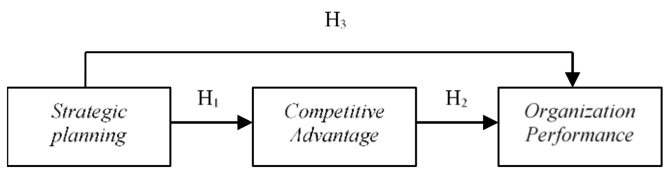

Figure 1. Conceptual Framework

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Strategic planning is a strategic plan to provide clear direction for a business (Bütüner, 2014). The existence of strategic planning will be able to make the company have good competitiveness (Bataineh, 2014). This statement is supported by the results of research conducted by Ferrer Romero, (2018) that showed strategic planning gives a contribution to company competitiveness. Natasha and Devie, (2013) conducted research that showed strategic planning affected company competitive advantage. Based on these conditions, the following research hypotheses can be proposed:

H1: The Company's strategic planning has a significant influence on the company's competitive advantage.

Companies that have good competitiveness will tend to have good performance (Podobnik and Dolinšek, 2008). This is supported by research conducted by Natasha and Devie, (2013) that showed there is a significant relationship between organizational competitive advantages and organizational performance which is moderated by the age and size of the company. Based on these conditions the following hypotheses can be proposed:

H2: Competitive advantage has a significant influence on company performance.

Strategic planning that is done well will also have an impact on good company performance. (O'Regan and Ghobadian, 2002) This is supported by research conducted by Makinde, Akinlabi and Ajike, (2015) that showed the implementation of a working strategic plan as indicated by the respondents has contributed to the significant growth in sales of the organization relative to the market leader in the industry and higher net profit position. Based on these conditions the following hypotheses can be proposed:

H3: The company's strategic planning has a significant influence on the company's performance.

II. METHODOLOGY

This research used a quantitative paradigm. To test the hypothesis, this research used PLS analysis. The variables are studied including independent variables, namely strategic planning; dependent variables, namely organizational performance; and intervening variables, namely competitive advantage.

The independent variable in this study is strategic planning. The operational variable of strategic planning including (Natasha and Devie, 2013) : defining company purpose and goal; analysis of business environment; analysis of strategic issues, generation, evaluation and, selection; development and implementation, evaluation, and control.

The dependent variable in this study is company performance. The operational variable of strategic planning including (Natasha and Devie, 2013) : financial performance; and operational performance.

The intervening variable in this study is a competitive advantage. The operational variable of competitive advantage including (Natasha and Devie, 2013) price; quality; delivery dependability; product innovation; and time to market.

The population in this research is all of the company managers in Surabaya that implement strategic planning activities. The number of managers is unknown, so depend on Lemeshow, Jr and Klar, (1990), the minimum number of samples for this research is 96.

So that the collected data can be utilized, then the data must be processed and analyzed first so that later it can be used as a basis for decision-making and hypothesis testing. This study uses the Structural Equation Modeling (SEM) approach using path diagrams that allow including all observed variables by the theoretical model that it builds. SEM analysis used is the Least Square Square (PLS) with the calculation process that is assisted by the SmartPLS software application program.

PLS analysis has two models, namely the inner model and the outer model. The outer model, also called the outer relation or measurement model shows the specification of the relationship between variables and indicators. While the inner model which is also called the inner relation or structural model shows the specification of the relationship between latent variables, ie between exogenous variables and endogenous variables (Ghozali, 2011).

The first stage of analysis is constructing a path diagram. Path diagram shows the flow of causal relationships between exogenous and endogenous variables, where the causal relationships that exist are justifications of existing theories. While round images are latent variables consisting of endogenous and exogenous variables (Ghozali, 2011).

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III. RESULTS AND DISCUSSION

To examine the role of competitive advantage as mediating the effect of strategic planning on company performance, the study used 96 respondents selected managers. The hypothesis in this study was tested using PLS. The following is the data generated from this research.

1. Identity of Respondents

Respondents in this study are managers who become leaders in companies that have implemented strategic planning. The number of managers who have been selected as many as 96 people from 96 different companies.

The following will describe the profile of the respondents, which includes the sex of the respondent, length of work, and the business sector where they work.

Table 1. Profile Of Respondents By Gender

Profile	Category	Number	Percentage
Gender	Male	59	61,5
	Female	37	38,5

Based on the data in Table 1 it can be seen that the majority of respondents in this study were male with a total of 59 people, while respondents with female gender totaled 37 people. In this study, most respondents in this study were male because the conditions in the field during this study were found to be more found by company managers with male sex compared to managers with the female gender.

Table 2.Profile Of Respondents Based On Length Of Position

Profile	Category	Number	Percentage
Period time in current position	1-5 year	46	47,9
	6-10 year	32	33,3
	> 10 year	18	18,8

Based on Table 2, it can be seen that the length of service of the manager who was made as to the research respondent. The data shows that the majority of managers have not been in office long, which ranges from 1-5 years. Managers who have been in office for a long time, ranging from 6-10 years to 32 people, and managers who have held their positions for a very long time, that is> 10 years are as many as 18 people.

Table 3.Profile Of Respondents By Business Sector

Profile	Category	Number	Percentage
Business sector	Manufacture	10	10,4%
	Retail	35	36,5%
	Finance	10	10,4%
	Service	21	21,9%
	Others	20	20,8%

Based on Table 3 it can be seen that the business sector under study. The results show that most of the companies studied were retail companies with a total of 35 companies. There are 10 companies in the manufacturing companies category, 10 companies in the financial companies category, 21 companies in the service category, and 20 companies in the other category, such as restaurants.

2. Research Variable

Table 4. Description Of Variable Strategic Planning Responses

Indicator	Mean	Kategori
Defining Company Purpose and Goal	4,094	Good
Analysis of Busines Environment	3,983	Good
Analysis of Strategic Issues, generation, evaluation and selection	4,069	Good
Development and implementation, evaluation, and control	4,089	Good
Total average	4,059	Good

Based on Table 4 Overall for the strategic planning variable obtained an average value of 4.059 which includes the good category. This provides information that the majority of companies that are the object of research have implemented strategic planning well.

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Table 5. Description Of Competitive Advantage Variable Responses

Indicator	Mean	Category
Price	4,057	Good
Quality	4,365	Very good
Delivery	4,250	Very good
Innovation	4,069	Good
Time to market	3,948	Good
Total average	4,138	Good

Based on the data in Table 5 Overall for the competitive advantages variable an average value of 4.138 is included in the good category. This gives information that the majority of companies that are the object of research have good competitive advantages.

Table 6. Description Of The Response Variable Organizational Performance

Indicator	Mean	Category
Financial Performance	4,073	Good
Operational Performance	4,096	Good
Total average	4,085	Good

Based on Table 6 as a whole for organizational performance variables obtained an average value of 4.085, which includes the good category. This provides information that the majority of companies that are the object of research have good organizational performance.

3. Validity and Reliabilty Test

Table 7. Outer Loading Values

Indicator	Loading	Indicator	Loading	Indicator	Loading
x1 <- SP	0,639	Y1 <- CA	0,649	Z1 <- OP	0,620
x2 <- SP	0,616	Y2 <- CA	0,630	Z2 <- OP	0,543
x3 <- SP	0,616	Y3 <- CA	0,669	Z3 <- OP	0,547
x4 <- SP	0,686	Y4 <- CA	0,615	Z4 <- OP	0,614
x5 <- SP	0,716	Y5 <- CA	0,673	Z5 <- OP	0,682
x6 <- SP	0,646	Y6 <- CA	0,614	Z6 <- OP	0,605
x7 <- SP	0,680	Y7 <- CA	0,550	Z7 <- OP	0,748
x8 <- SP	0,736	Y8 <- CA	0,535	Z8 <- OP	0,672
x9 <- SP	0,698	Y9 <- CA	0,591	Z9 <- OP	0,496
x10 <- SP	0,693	Y10 <- CA	0,687	Z10 <- OP	0,699

Based on table 7 it is known that the outer loading value for all variables in the study has an original sample value greater than 0.5 so that all indicators that make up the relevant variables meet the convergent validity (Sarstedt, Ringle and Hair, 2017).

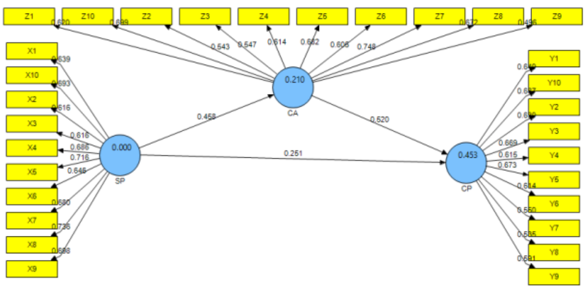

Figure 2. PLS Algoritm

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Table 8. Cross Loading Values

Indicator	CA	OP	SP
x1	0,181	0,310	0,639
x2	0,182	0,266	0,616
x3	0,272	0,360	0,616
x4	0,312	0,384	0,686
x5	0,407	0,443	0,716
x6	0,328	0,179	0,646
x7	0,316	0,224	0,680
x8	0,336	0,304	0,736
x9	0,365	0,345	0,698
x10	0,303	0,380	0,693
Y1	0,448	0,649	0,310
Y2	0,414	0,630	0,229
Y3	0,356	0,669	0,441
Y4	0,437	0,615	0,407
Y5	0,406	0,673	0,239
Y6	0,350	0,614	0,316
Y7	0,279	0,550	0,340
Y8	0,303	0,535	0,182
Y9	0,410	0,591	0,259
Y10	0,496	0,687	0,287
Z1	0,620	0,317	0,357
Z2	0,543	0,328	0,137
Z3	0,547	0,402	0,172
Z4	0,614	0,521	0,273
Z5	0,682	0,333	0,285
Z6	0,605	0,327	0,339
Z7	0,748	0,568	0,376
Z8	0,672	0,346	0,272
Z9	0,496	0,289	0,207
Z10	0,699	0,431	0,366

Based on table 8, it is known that the cross-loading value for all indicators in each variable has the highest loading factor in the variables that are formed so that in general all indicators have a good discriminant validity in preparing their respective variables.

The final test to evaluate the outer model is composite reliability testing to test the consistency in the measurement of each variable. Composite reliability shows the degree that indicates common latent (unobserved) so that it can show a block indicator that measures the internal consistency of construct indicators (Sarstedt, Ringle and Hair, 2017). The accepted limit value for the composite reliability level is 0.7 (Sarstedt, Ringle and Hair, 2017). Here is a table of the results of composite reliability output from PLS:

Table 9. Composite Reliability

Variable	Composite Reliability
SP	0,892
CA	0,865
OP	0,863

Based on table 9 above, the composite reliability values for all variables already have values greater than 0.70. Thus in the structural model these variables have met the composite reliability.

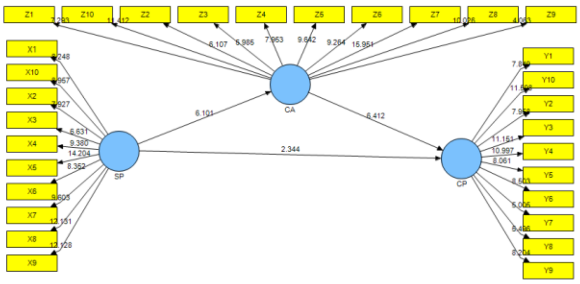

Figure 3. PLS Bootstrapping

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4. Inner Model Evaluation

Table 10. R-Square Model Values

Variable	R Square
CA	0,209
OP	0,453

The value of R square for competitive advantages is 0.209. The value shows that the percentage of competitive advantages that can be explained by strategic planning is 20.9%.

The value of R square for organizational performance is 0.453. This value means that the percentage of organizational performance that can be explained by strategic planning and competitive advantages is 45.3%.

The assessment of the goodness of fit in the PLS model can be known from the Q2 value. Q2 value has the same meaning as the coefficient of determination (R-square / R2) in the regression analysis. The higher R2, the model can be said to be more fit with the data. From the table above, we can find out the Q2 value as follows:

Q^2 Value = 1 – ((1-0,209) x (1-0,453))
= 1 – (0,773) x (0,577))
= 0,567

In this research model the total R-square value generated is equal to 56.7%, meaning that the magnitude of the diversity of research data that can be explained by the structural model is 56.7%, while the remaining 43.3% is influenced by other factors.

4. Hyphotesis Testing

The results of the PLS analysis also produce path coefficients in the inner model:

Table 11. Inner Weight Results

Relationship	T Statistics
SP -> CA	6,101
CA -> OP	6,411
SP -> OP	2,344

From table 11 above a structural model can be drawn up to prove the research hypothesis as follows:

1) Effect of Strategic Planning to Competitive advantages

Based on the data presented in Table 4.12, it can be explained that the influence of strategic planning variables on competitive advantages is 0.458 with a t-statistic value of 6.101, which is greater than 1.96. This situation shows that strategic planning has a significant influence on competitive advantages. The effect produced by strategic planning on competitive advantages is positive which means that the better the implementation of strategic planning by the company will make the company's competitive advantages better.

2) Effects of Competitive advantages to Organizational performances

Based on the data presented in Table 4.12 it can be explained that the influence of the competitive advantages variable on organizational performance is 0.519 with a t-statistic value of 6.411 which is greater than 1.96. This situation shows that competitive advantages have a significant influence on organizational performance. The effect produced by competitive advantages on organizational performance is positive which means that the better competitive advantage condition of the company will make the company's organizational performance better.

3) Effects of Strategic planning to Organizational performances

Based on the data presented in Table 4.12, it can be explained that the influence of strategic planning variables on organizational performances is 0.251 with a t-statistic value of 2.344, which is greater than 1.96. This situation shows that strategic planning has a significant influence on organizational performances. The effect produced by strategic planning on organizational performances is positive which means that the better the implementation of strategic planning by the company will make the organization's performance better.

5. Discussion

From data acquisition and data processing using the PLS program that has been done, the researcher found that all three hypotheses proposed in this study were all accepted.

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There is a positive and significant influence on Strategic Planning for Competitive advantages. Thus it can be seen that the theory proposed is by the actual application of the companies that have been selected as research objects. The results show that strategic planning has a significant positive effect on competitive advantages, which shows that strategic planning. activities carried out by the company will have a significant influence on the company's competitive advantages. The better the strategic planning activities are carried out, the competitive advantages of the company will also get better.

The condition is also supported by previous research conducted by Ferrer Romero, (2018) that showed strategic planning gives a contribution to company competitiveness. Natasha and Devie, (2013) conducted research that showed strategic planning affected company competitive advantage. This condition according to statement (Bütüner, 2014) that strategic planning is a strategic plan to provide clear direction for a business. The existence of strategic planning will be able to make the company have good competitiveness (Bataineh, 2014).

There is a positive and significant effect of competitive advantage on organizational performance. Thus it can be seen that the theory proposed is by the actual application of the companies that have been selected as research objects. The results show that competitive advantages give a significant positive effect on competitive advantages, which shows that the better the competitiveness of companies, the better the organizational performance or company performance. Conversely, the lower the company's competitiveness caused the lower the company's performance. This condition is supported by previous research conducted by Natasha and Devie, (2013) that showed there is a significant relationship between organizational competitive advantages and organizational performance which is moderated by the age and size of the company. According to statement Podobnik and Dolinšek, (2008) that have good competitiveness will tend to have good performance.

There is a positive and significant influence on Strategic planning on Organizational performance. Thus it can be seen that the theory proposed is by the actual application of the companies that have been selected as research objects. The results show that strategic planning has a significant positive effect on organizational performance, which indicates that the better the strategic planning activities are carried out, the better the company's performance will be. Conversely, if strategic planning activities are not carried out well, the company's performance will also not be good. This condition is supported by previous research conducted by Makinde, Akinlabi and Ajike, (2015) that showed the implementation of a working strategic plan as indicated by the respondents has contributed to the significant growth in sales of the organization relative to the market leader in the industry and higher net profit position. According to statement O'Regan and Ghobadian, (2002) strategic planning that is done well will also have an impact on good company performance.

Natasha and Devie, (2013) said tha the impact of managerial in similar study is that managers in the company will realize that by using Strategic Planning the company can obtain a competitive advantage, especially in the aspect of quality so that it can compete with competitors in a competitive environment. And improve company performance, especially in the aspect of operational performance, so the company can achieve the expected targets or targets. This can be seen from the significant and positive influence between Strategic Planning on competitive advantage. And the significant and positive influence between Strategic Planning and company performance.

From the Partial Least Square analysis it can also be seen that the greatest influence of the three hypotheses above is on the first hypothesis, namely the influence between the strategic planning variable and the competitive advantage variable. From this it follows that the competitive advantage variable is a good intervening variable and illustrates the relationship between strategic planning and company performance variables. This means that strategic planning can improve company performance through increased competitive advantage as an intervening variable.

IV. CONCLUSION

This study aims to determine the effect of strategic planning on competitive advantage and organizational performance. Based on the results of data analysis and discussions that have been conducted, several conclusions can be drawn.

Strategic planning provides a positive and significant impact on competitive advantage. This is indicated by the path coefficient of 0.477 with a t-statistic value of 5.411 which is greater than 1.96. This condition means that the better the implementation of strategic planning by the company, the better the company's competitive advantages.

Competitive advantage has a positive and significant impact on company performance. This is indicated by the path coefficient of 0.554 with a t-statistic value of 8.332 which is greater than 1.96. This condition means that the better the competitive advantages of the company will make the company's organizational performance better.

Strategic planning provides a positive and significant impact on organizational performance. This is indicated by the path coefficient of 0.477 with a t-statistic value of 5.411, which is greater than 1.96. This condition means that the better implementation of strategic planning by the company will make the company's organizational performances better.

RECOMENDATION

Based on the conclusions drawn, some suggestions can be given as follows:

1. For business managers, especially managers to carry out strategic planning activities properly. Particular attention must be paid to the Analysis of Business Environment aspect because based on the results of data analysis conducted this aspect has the lowest mean value among the strategic planning indicators studied. Other aspects of strategic planning also need to be considered because all aspects of strategic planning are important. After all, they will have a positive and significant impact on competitive strategy and company performance.
2. The company also needs to make efforts to improve the company's competitiveness, especially in the time to market aspect. This needs to be done because based on the results of data analysis that has been done the time to market aspect has a lower mean value compared to other competitiveness indicators of the company.
3. The number of companies studied in this study is still limited, so researchers provide advice to further researchers to research with a larger number of samples or companies so that it can be a representation of the real conditions in the field.

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